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THE BUSINESS REVIEW

FEDERAL RESERVE BANK OF PHILADELPHIA

1952 FORECAST OF CAPITAL EXPENDITURES

Philadelphia manufacturers plan to spend less for new plant and equipment in 1952 than in the year ended last September. All of the cutback is by producers of nondurables. The outstanding increase is by the industries making transportation equipment. Manufacturers in the metal trades generally expressed optimistic views on the outlook for next year. Local utilities have scheduled larger capital expenditures for 1952 than their 1951 outlays.

WHO OWNS THE MORTGAGES?

Figures obtained from registration statements under Regulation X provide new and useful information on mortgage lending in this district. At least 3,350 individuals and institutions are engaged in the business of extending real estate credit. They hold about $2 billion of mortgages for their own account and are servicing about $1 billion of mortgages for others.

CURRENT TRENDS

Business in the Third District was maintained at high levels during September. Production, payrolls, and bank loans increased, while building and trade eased off.

1952 FORECAST OF CAPITAL EXPENDITURES

A preview—based on a survey, showing how much Philadelphia industries plan to spend next year.

This Bank has just completed its sixth annual survey of capital expenditures in Philadelphia—that is, money to be spent on plant expansion and modernization of equipment.

SUMMARY

1. Local utilities plan to spend more in 1952 than they did this year—up 47 per cent.
2. Manufacturing concerns are planning to spend less —down 20 per cent.
3. Manufacturers have most of the money in hand to build and to buy new equipment.
4. By next March 11,000 new jobs have to be filled.
5. Right now there is an acute shortage of skilled workers.

Capital Expenditures Declining in 1952. Local manufacturers are planning to reduce their expenditures on construction and equipment in the year ending September 1952. Proposed outlays for the year are $100 million, or one-fifth less than the $126 million invested in the past year. Even with the reduction, spending for plant and equipment in 1952 will be above the 1950 level, which was the post-war low. The survey does not include concerns in the metropolitan area of Philadelphia beyond the city limits.

Tools and Floor Space. The greater part of the new money is to go into new tools rather than additional floor space. This is in line with what they did last year and it is only natural because tools become obsolete and wear out faster than buildings. Nevertheless, construction, which accounted for one-third of the total of the past year's expenditures, is expected to exceed 40 per cent of total outlays in 1952. Increased emphasis upon new construction relative to the past year reflects the need for more capacity in the expanding defense program. The cutback in expenditures for equipment may be interpreted to mean that the modernization program has passed its peak and that further demands for tools of production are of a more normal replacement character.

Durables Plan the Greater Expenditures. Planned expenditures will be more equally divided between durable and nondurable industries during the coming year than in the past. The figures, however, do not tell the whole story. In Philadelphia, plants making durables are fewer and, dollar-wise, less important; therefore it is significant that they are making more than half of all capital outlays. It is also noteworthy that this will be the first time since World War II that they have accounted for over 50 per cent of the total. The explanation is undoubtedly the war in Korea and the resultant mobilization program. In September 1950, soon after the war began, our producers of durables estimated that their expenditures for the next year would amount to $32 million. Under the pressure of increasing defense demands, however, they actually spent $52 million. Outlays in the coming year are expected to match this.

ESTIMATED CAPITAL EXPENDITURES OF MANUFACTURING INDUSTRIES IN PHILADELPHIA
(In millions of dollars)

	Nov. 1947 to Sept. 1948	*Oct. 1948 to Sept. 1949*	*Oct. 1949 to Sept. 1950*	*Oct. 1950 to Sept. 1951*	*To be spent within next year*
All manufacturing	130.1	111.3	94.9	126.1	100.1
Durable goods industries	28.4	32.8	31.6	52.3	52.3
Nondurable goods industries	101.7	78.5	63.3	73.8	47.8
Food and tobacco	19.6	15.7	16.4	15.8	8.0
Textiles	24.8	23.9	11.6	14.5	4.9
Apparel	1.0	2.5	1.0	2.2	.7
Lumber and furniture .	1.1	1.3	1.1	1.5	.6
Paper and printing....	26.2	12.4	7.9	10.6	8.0
Chemicals and petroleum	25.5	17.7	20.2	24.2	23.8
Leather	.4	1.0	1.2	.9	.3
Iron and steel.........	6.7	8.5	3.9	8.3	6.2
Nonferrous metals	.8	.5	2.4	1.0	1.8
Machinery (including elec.)	11.0	13.5	14.8	32.6	21.5
Transportation equipment	7.6	7.0	8.3	5.1	18.8
Miscellaneous	5.4	7.3	6.1	9.4	5.5

The manufacturers of transportation equipment and the producers of nonferrous metals are the only major groups contemplating bigger capital expenditures than last year. Outlays by the former are to be more than tripled and by the latter almost doubled. Defense always requires mobile equipment of all kinds.

Among producers of nondurables, capital expenditures are being reduced in every major category, as shown in the accompanying table. Chemical and petroleum concerns were the heaviest investors in this group in the past year, and indications are that they will be again. The fact that they are planning to spend just about as much next year as they did in 1951 reflects the importance of local petroleum refineries, whose products go hand in hand with transportation equipment. Last year, manufacturers of food and tobacco products spent a substantial amount on plant and equipment, but expenditures for the ensuing year are to be reduced by one-half.

The expanding defense program accelerated capital expenditures by businessmen throughout the country. According to the McGraw-Hill survey reported last March, the country's manufacturers intended stepping up 1951 expenditures to $13 billion, two-thirds above their 1950 outlays. This is in contrast with an increase of one-third by Philadelphia manufacturers for the years ended in mid-September of 1950 and 1951. Nationally, the largest percentage increases (1951 over 1950) were planned by the steel industry (134 per cent) and the producers of transportation equipment (81 per cent). Locally, the greatest 1951 increases over 1950 were in the machinery (120 per cent) and the steel (113 per cent) industries. Locally, 1951 outlays by producers of transportation equipment were smaller than the 1950 expenditures. However, contemplated outlays for next year are very much larger, as previously indicated.

Source of Funds. Industrial concerns expect to continue financing the overwhelming amount of contemplated capital expenditures from their own resources. Manufacturers' own funds will supply about 91 per cent of the amount needed to carry out scheduled plant expansion and purchases of new equipment. This differs very little from the percentage of last year. They expect to borrow $6 million or about 6 per cent of their requirements from the banks.

Expanding Employment. Manufacturing employment in this area has been rising and is apparently going still higher. Our survey shows that from September 1950 to September 1951 employment rose 5 per cent, with most of the expansion taking place in the durable goods industries. This was in line with the increase in capital expenditures of this group and reflects the speed-up in the defense program. All major lines registered gains over a year ago, except for textiles and leather. Iron and steel and transportation equipment, which occupy key positions in the defense program, accounted for the largest increase in employment.

The survey indicates further increases over the short term. Factory employment in Philadelphia, which was 365,000 in September, is expected to rise to 376,000 by March 1952. Manufacturers in the metal trades, already faced with serious shortages of skilled craftsmen, may encounter still greater difficulties in meeting their labor requirements.

Comments on the Business Outlook. Various shades of opinions on the business outlook were expressed by Philadelphia manufacturers. A carpet weaver reported: "Anticipate only fair business this fall, generally increasing from February on through spring." A men's clothing manufacturer said: "Conditions in our industry do not look too promising." A producer of industrial chemicals reported: "Outlook continues favorable in the light of continued expenditures for defense;" and a manufacturer of steel castings comments—"The outlook is excellent. We have the biggest backlog of orders we've had since February 1945." Comments on the short-run business outlook by producers of soft goods—notably apparel, textile and paper products—were generally unfavorable but most manufacturers of durables, particularly the basic metals and fabricated metal products used in the defense program, made optimistic forecasts.

Larger Expenditures by the Utilities. The local utilities—communications, electricity, gas, city transit, and the railways—are planning to spend approximately $100 million next year in contrast with $68 million last year. In the case of one of the utilities, however, the estimates include expenditures for not only Philadelphia proper but also the adjoining counties of the metropolitan area. This is by way of providing for future needs of new industries growing up in the ever-widening industrial fringe of Philadelphia.

WHO OWNS THE MORTGAGES?

Analysis of Registration Statements under Regulation X Filed by Lenders in the Third Federal Reserve District

At the end of last May at least 3,350 individuals and institutions in the Third Federal Reserve District, in one way or another, were engaged in the business of extending real estate credit. They held approximately $2.2 billion of mortgages for their own accounts, and were servicing about $1 billion for others.

These figures, and those which follow, are the highlights of tabulations of registration statements filed under Regulation X of the Board of Governors of the Federal Reserve System. Before giving further details, it should be made clear what the figures do *not* represent. They do not represent the total volume of mortgages or the total number of lenders. Lenders who extended credit less than four times in 1950 or 1951 and who extended an aggregate volume of $50,000 or less during the same periods were not required to register. The data do not include loans for real estate purposes which are not secured by mortgages. They are a measure of the amount of mortgages held by institutions and individuals in this district, not of the total amount of mortgage debt owed by people in the district. Finally, they represent the volume of mortgages held, rather than the amount of loans made. Although the data have limitations, they nevertheless provide considerable new and useful information about mortgage loans in the Third District.

More than one-third of those who registered under Regulation X held no loans at all for their own account on May 31, 1951. In this category were, for the most part, real estate brokers, builders and developers, mortgage brokers, and the like, who usually do not hold mortgages permanently. Many of these reported mortgages held for the account of others which they were servicing. At the other extreme the statements indicate that there are about two dozen lenders who hold over $10 million each of mortgages and who account for about one-third of the total amount reported in the district as a whole. These are the extremes. The typical lender is a small business. The amount of mortgages held for its own account averaged about $1 million per registered lender.

The picture varies widely, however, depending on the type of lender we are talking about. The figures indicate that four main types of lending institutions hold nine-

NUMBER OF REGISTRANTS AND AMOUNT OF MORTGAGES OUTSTANDING

Third Federal Reserve District—May 31, 1951

	Mortgages held for own account (millions $)	Mortgages serviced for others (millions $)	*Number of registrants with—* No mortgages and no servicing	Mortgages serviced for others only	Mortgages for own account*	All registrants
Commercial banks	731	350	...	...	621	621
Savings and loan associations	684	2	3	...	651	654
Insurance companies	286	**	1	...	23	24
Mutual savings banks	207	...	...	...	10	10
Trust departments of banks	142	10	1	3	141	145
Non-profit organizations	27	...	1	...	45	46
Mortgage companies	26	487	3	5	22	30
Real estate brokers or agents	18	82	529	295	360	1,184
Others	34	82	332	37	267	636
Total	2,155	1,013	870	340	2,140	3,350

* Includes registrants with loans for own account *and* loans serviced for others.
** Less than $500,000.

DISTRIBUTION BY SIZE OF MORTGAGE HOLDINGS

Amount of mortgages held for own account	*Percentage distribution* Number of registrants	*Type of mortgage* FHA	VA	Conventional	Non-residential	All mortgages
No loans	37%	*	*	*	*	*
Under $25,000	11	*	*	*	*	*
$25,000-100,000	10	*	*	1	1	1
$100,000-500,000	21	3	4	11	8	8
$500,000-1,000,000	9	6	9	11	12	10
$1,000,000-5,000,000	11	25	41	35	37	36
$5,000,000-10,000,000	1	14	17	12	11	13
$10,000,000-25,000,000	*	12	9	12	10	11
$25,000,000-50,000,000	*	3	5	6	3	5
$50,000,000 and over	*	37	15	12	18	16
Total	100%	100%	100%	100%	100%	100%

* Less than 0.5 per cent.

tenths of the mortgages, and these lenders seem to fall into two groups: commercial banks and savings and loan associations form one group; insurance companies and mutual savings banks make up another. Commercial banks and savings and loan associations each account for about one-third of the total outstanding mortgages held for own account. They are the most numerous of the four types of institutions, their average portfolio is small (about $1 million), and they operate for the most part on a local level. Insurance companies and mutual savings banks account for 13 and 10 per cent, respectively, of

CHARACTERISTICS OF MORTGAGE PORTFOLIOS OF MAJOR LENDERS

(Mortgages held for own account)

	Commercial banks	Savings and loan assoc.	Insurance companies	Mutual savings banks
Third Federal Reserve District				
Average amount (millions)	$1.2	$1.0	$11.9	$20.7
Distribution of holdings:				
FHA Insured	13%	1%	20%	16%
VA insured or guaranteed	25	19	18	22
Not guaranteed or insured	38	79	42	54
Total residential	76%	99%	80%	92%
Other properties	24	1	20	8
Total	100%	100%	100%	100%
Philadelphia				
Average amount (millions)	$4.0	$1.2	$20.9	$45.1
Distribution of holdings:				
FHA insured	29%	2%	22%	18%
VA insured or guaranteed	10	20	19	24
Not guaranteed or insured	39	77	37	50
Total residential	78%	99%	78%	92%
Other properties	22	1	22	8
Total	100%	100%	100%	100%
Outside Philadelphia				
Average amount (millions)	$1.1	$1.0	$3.0	$4.4
Distribution of holdings:				
FHA insured	10%	1%	6%	1%
VA insured or guaranteed	28	18	16	8
Not guaranteed or insured	38	80	70	83
Total residential	76%	99%	92%	92%
Other properties	24	1	8	8
Total	100%	100%	100%	100%

total outstandings. In contrast with the more than 1,200 commercial banks and savings and loan associations, there are only 34 registered insurance companies and mutual savings banks, and their lending activities are large-scale. The average portfolio of the insurance companies is about $12 million, and over 90 per cent of the total holdings of insurance companies is held by four companies with portfolios of more than $25 million each. The average portfolio of mutual savings banks is even larger.

The lending institutions pursue different portfolio policies depending upon their size and location. For example, savings and loan associations tend to concentrate on conventional loans (that is, loans not guaranteed or insured by the Government); these account for more than three-fourths of their total holdings. Of the four types of institutions, commercial banks have gone most heavily into VA financing. In contrast, insurance companies concentrate to a greater extent than the other lenders on FHA mortgages.

The concentration of lending is greater in the case of some types of mortgages and some types of lenders than in others. Less than one per cent of the registrants held more than one-half of the FHA mortgages, as compared with one-fourth to one-third of the VA and "conventional" loans.

There are exceptions, of course. Considerable differences in portfolios can be observed between lenders located in Philadelphia and lenders in other parts of the district. As far as savings and loan associations are concerned, location seems to make little difference. But commercial banks in Philadelphia have about three times as much in FHA as in VA mortgages, while the exact reverse is the case in banks outside of Philadelphia. Insurance companies outside of Philadelphia follow policies more nearly like those of smaller financial institutions; they hold a much larger proportion of conventional loans and a smaller proportion of FHA loans. Similarly, savings banks outside of Philadelphia place more emphasis on conventional loans and less on both FHA and VA loans.

Servicing of mortgages for others is carried on mostly by mortgage companies, although commercial banks take over a large part of this function in areas outside of Philadelphia.

CURRENT TRENDS

Economic activity in the Third Federal Reserve District continued buoyant in September. Most major business and banking indexes showed gains for the month with construction and department store sales among the exceptions.

Production in Pennsylvania manufacturing plants increased for the first time in six months. The greatest advances in output occurred in the industries producing nondurable goods such as food and tobacco, where seasonal expansion took place. Manufacturers of durables, especially furniture, also registered gains. Increased industrial production was accompanied by larger payrolls and a longer work week, but there was no significant change in employment.

Retail trade, judged by department store sales, dipped slightly during September. Buying failed to attain last year's level for the third consecutive month but latest reports indicate that sales were holding their own in October. Although department stores have been reducing their stocks, inventories are still large in view of declining sales.

The value of construction contract awards dropped during the month, reflecting decreases in both residential and nonresidential building. Awards continued below those of the corresponding month a year ago.

Repayments exceeded new loans made in the four weeks to October 24 at Third District weekly reporting member banks and total loans declined $8 million. The moderate decline in loans was due principally to a decrease in mortgage loans, although accommodation to business was also down somewhat.

The Nation's privately owned money supply increased by almost $1 billion in September, bringing expansion for the past three months above $3 billion. Renewed vigor in bank lending during the third quarter, and purchasing of Governments, plus a shift of deposits from Government to private accounts contributed to the expansion. The rise in the private money supply in the third quarter was larger than for the comparable period of any other post-war year.

SUMMARY	Third Federal Reserve District — Per cent change — Sept. 1951 from mo. ago	Third Federal Reserve District — Sept. 1951 from year ago	Third Federal Reserve District — 9 mos. 1951 from year ago	United States — Per cent change — Sept. 1951 from mo. ago	United States — Sept. 1951 from year ago	United States — 9 mos. 1951 from year ago
OUTPUT						
Manufacturing production	+1*	+ 2*	+11*	+ 1	+ 4	+13
Construction contracts	−2	−15	+16	−10	−15	+13
Coal mining	+4	−13	− 9	+ 7	− 4	+ 5
EMPLOYMENT AND INCOME						
Factory employment	0*	0*	+ 9*	0	0	+ 9
Factory wage income	+3*	+12*	+24*	.....	.....	.....
TRADE**						
Department store sales	−1	− 3	+ 3	− 2	− 2	+ 3
Department store stocks	0	+10	.....	− 2	+ 8	.....
BANKING (All member banks)						
Deposits	+2	+ 2	+ 3	+ 2	+ 6	+ 6
Loans	+1	+15	+23	+ 1	+15	+23
Investments	+1	− 6	− 8	+ 1	− 4	− 8
U.S. Govt. securities	+1	− 8	−11	+ 1	− 6	−11
Other	+1	0	+ 4	+ 1	+ 6	+14
PRICES						
Wholesale	.....	.....	.....	0	+ 5	+15
Consumers	0†	+ 7†	+10†	0	+ 7	+ 9
OTHER						
Check payments	−8	− 1	+12	− 3	− 2	+14
Output of electricity	−2	0	+ 7	.....	.....	.....

*Pennsylvania
**Adjusted for seasonal variation. †Philadelphia.

LOCAL CONDITIONS	Factory* Employment — Per cent change Sept. 1951 from mo. ago	Factory* Employment — year ago	Factory* Payrolls — mo. ago	Factory* Payrolls — year ago	Department Store Sales — mo. ago	Department Store Sales — year ago	Department Store Stocks — mo. ago	Department Store Stocks — year ago	Check Payments — mo. ago	Check Payments — year ago
Allentown	−1	+ 5	+ 6	+20	.....	.....	.....	.....	−10	− 7
Altoona	−4	−15	− 3	− 9	.....	.....	.....	.....	− 5	+ 5
Harrisburg	0	+ 4	+ 5	+17	.....	.....	.....	.....	− 5	+21
Johnstown	−1	+ 4	+12	+23	.....	.....	.....	.....	− 3	− 2
Lancaster	−1	− 1	+ 1	+ 6	+20	−6	+ 9	+12	− 4	+ 5
Philadelphia	+2	+ 1	+ 3	+ 8	+47	−3	+ 6	+ 4	−10	− 3
Reading	−1	− 6	− 1	− 2	+29	−4	+ 2	+24	− 9	−10
Scranton	+3	+ 7	+ 4	− 2	.....	.....	.....	.....	− 4	+ 2
Trenton	.....	.....	.....	.....	+33	+3	+13	+18	−21	+ 1
Wilkes-Barre	−1	− 2	+ 4	+ 5	+22	−8	+ 1	+ 3	−10	− 3
Williamsport	+1	+ 5	0	+13	.....	.....	.....	.....	− 1	+ 1
Wilmington	−4	− 2	− 2	+ 3	.....	.....	.....	.....	+12	+ 7
York	0	− 9	− 2	− 1	+ 5	+3	+ 8	+11	−11	−13

*Not restricted to corporate limits of cities but covers areas of one or more counties.

MEASURES OF OUTPUT

	Per cent change: Sept. 1951 from month ago	Sept. 1951 from year ago	9 mos. 1951 from year ago
MANUFACTURING (Pa.)	+ 1	+ 2	+11
Durable goods industries	+ 1	+ 9	+20
Nondurable goods industries	+ 2	− 7	+ 1
Foods	+ 6	− 2	+ 1
Tobacco	+10	+ 4	+ 3
Textiles	− 1	−28	− 8
Apparel	+ 2	− 5	0
Lumber	− 4	−10	− 1
Furniture	+ 7	−28	−13
Paper	− 2	− 7	+ 6
Printing and publishing	+ 3	+ 1	+ 1
Chemicals	− 1	+ 6	+13
Petroleum and coal products	0	+ 1	+ 3
Rubber	0	+ 5	+21
Leather	− 7	−17	− 2
Stone, clay and glass	0	+ 9	+14
Primary metal industries	+ 2	+ 9	+19
Fabricated metal products	0	+ 2	+24
Machinery (except electrical)	0	+15	+25
Electrical machinery	+ 4	+ 7	+19
Transportation equipment	+ 3	+20	+28
Instruments and related products	+ 2	+15	+31
Misc. manufacturing industries	+ 1	+ 2	+19
COAL MINING (3rd F. R. Dist.)*	+ 4	−13	− 9
Anthracite	+ 3	−14	−11
Bituminous	+ 3	− 5	+ 9
CRUDE OIL (3rd F. R. Dist.)**	− 7	−12	− 2
CONSTRUCTION—CONTRACT AWARDS (3rd F. R. Dist.)†	− 2	−15	+16
Residential	− 5	−21	+ 6
Nonresidential	− 8	−17	+61
Public works and utilities	+13	+ 1	−24

*U.S. Bureau of Mines.
**American Petroleum Inst. Bradford field.
†Source: F. W. Dodge Corporation. Changes computed from 3-month moving averages, centered on 3rd month.

EMPLOYMENT AND INCOME

Pennsylvania Manufacturing Industries* Indexes (1939 avg.=100)	Employment: Sept. 1951 (Index)	Employment: Per cent change from mo. ago	Employment: Per cent change from year ago	Payrolls: Sept. 1951 (Index)	Payrolls: Per cent change from mo. ago	Payrolls: Per cent change from year ago	Average Weekly Earnings: Sept. 1951	Average Weekly Earnings: % chg. from year ago	Average Hourly Earnings: Sept. 1951	Average Hourly Earnings: % chg. from year ago
All manufacturing	138	0	0	400	+ 3	+12	$64.89	+11	$1.61	+11
Durable goods industries	168	0	+ 6	469	+ 3	+20	72.01	+13	1.74	+12
Nondurable goods industries	109	0	− 7	309	+ 2	− 2	54.22	+ 6	1.40	+ 8
Foods	134	+5	− 2	334	+ 7	+ 6	55.63	+ 8	1.33	+ 6
Tobacco	88	+7	+ 1	244	+13	+11	36.59	+ 9	.94	+ 7
Textiles	69	−2	−21	195	0	−22	50.39	− 2	1.38	+ 9
Apparel	130	0	− 7	375	+ 3	+ 2	40.78	+ 9	1.14	+ 8
Lumber	157	−1	− 9	411	− 4	− 5	45.71	+ 4	1.10	+ 6
Furniture and lumber products	107	+6	−29	315	+ 9	−26	55.34	+ 7	1.26	+ 5
Paper	134	−4	− 3	408	− 1	+ 4	63.53	+ 7	1.52	+12
Printing and publishing	122	+2	0	322	+ 4	+ 5	74.93	+ 5	1.90	+ 5
Chemicals	152	+1	+ 5	422	0	+ 9	66.02	+ 3	1.58	+ 4
Petroleum and coal products	158	−1	0	432	0	+ 8	82.36	+ 8	2.00	+ 7
Rubber	246	−1	+11	772	+ 1	+22	77.91	+11	1.89	+17
Leather	81	−5	−13	212	− 6	−10	44.74	+ 3	1.21	+ 7
Stone, clay and glass	144	−1	+ 9	408	+ 2	+19	64.89	+ 9	1.63	+ 9
Primary metal industries	142	−1	+ 7	409	+ 4	+23	80.31	+15	1.95	+11
Fabricated metal products	176	−2	+ 1	486	+ 1	+11	65.71	+ 8	1.60	+ 8
Machinery (except electrical)	242	0	+11	687	+ 1	+28	72.15	+15	1.69	+13
Electrical machinery	268	+5	+ 7	646	+ 5	+20	67.50	+12	1.64	+12
Transportation equipment	169	0	+17	472	+ 3	+29	79.27	+11	1.90	+ 7
Instruments and related products	188	0	+12	539	+ 2	+25	65.51	+12	1.60	+10
Misc. manufacturing industries	143	+1	+ 3	377	+ 2	+10	53.94	+ 8	1.29	+ 8

*Production workers only.

TRADE

Third F. R. District — Indexes: 1935–39 Avg.=100 — Adjusted for seasonal variation	Sept. 1951 (Index)	Per cent change: Sept. 1951 from month ago	Sept. 1951 from year ago	9 mos. 1951 from year ago
SALES				
Department stores	302	−1	− 3	+3
Women's apparel stores	219	−7	− 4	+1
Furniture stores	....	+5*	−12*	+1*
STOCKS				
Department stores	302r	0	+10	....
Women's apparel stores	252	+3	+ 5	....
Furniture stores	....	0*	+16*	....

Recent Changes in Department Store Sales in Central Philadelphia	Per cent change from year ago
Week ended October 6	−6
Week ended October 13	0
Week ended October 20	0
Week ended October 27	−2
Week ended November 3	+3

*Not adjusted for seasonal variation. r—preliminary.

Departmental Sales and Stocks of Independent Department Stores Third F. R. District	Sales: % chg. Sept. 1951 from year ago	Sales: % chg. 9 mos. 1951 from year ago	Stocks (end of month): % chg. Sept. 1951 from year ago	Stocks: Ratio to sales (months' supply) September 1951	Stocks: Ratio to sales (months' supply) September 1950
Total—All departments	− 9	+1	+ 5	3.4	2.9
Main store total	−10	0	+ 6	3.6	3.1
Piece goods and household textiles	−10	+1	+14	4.0	3.1
Small wares	− 8	−1	− 7	4.1	4.0
Women's and misses' accessories	− 7	+1	− 1	3.3	3.1
Women's and misses' apparel	− 6	+4	+ 6	2.3	2.0
Men's and boys' wear	−12	+3	+ 9	5.3	4.3
Homefurnishings	−14	−3	+11	3.8	2.9
Other main store	− 8	+1	+ 7	5.6	4.8
Basement store total	− 4	0	− 1	2.2	2.2
Domestics and blankets	− 4	+1	+ 6	2.4	2.2
Small wares	−13	−6	− 7	2.3	2.1
Women's and misses' wear	− 3	+1	− 6	1.6	1.7
Men's and boys' wear	− 2	+3	+ 5	2.9	2.6
Homefurnishings	− 2	−3	− 3	2.8	2.8
Shoes	− 9	+4	+11	3.0	2.4
Nonmerchandise total	− 5	+2	....	....	....

CONSUMER CREDIT

Sale Credit Third F. R. District	Sales: % chg. Sept. 1951 from year ago	Sales: % chg. 9 mos. 1951 from year ago	Receivables (end of month): % chg. Sept. 1951 from year ago
Department stores			
Cash	− 7	+ 2	....
Charge account	− 7	+ 5	+ 3
Instalment account	−17	−13	−15
Furniture stores			
Cash	+ 3	+ 6	....
Charge account	− 6	+15	....
Instalment account	− 4	+ 6	− 7

Loan Credit Third F. R. District	Loans made: % chg. Sept. 1951 from year ago	Loans made: % chg. 9 mos. 1951 from year ago	Loan balances outstanding (end of month): % chg. Sept. 1951 from year ago
Consumer instalment loans			
Commercial banks	− 4	− 6	− 4
Industrial banks and loan companies	− 2	0	+ 1
Small loan companies	+14	+14	+10
Credit unions	+ 6	+ 5	+ 7

PRICES

Index: 1935–39 average = 100	Sept. 1951 (Index)	Per cent change from: month ago	Per cent change from: year ago
Wholesale prices—United States	220	0	+ 5
Farm products	249	−1	+ 5
Foods	238	0	+ 6
Other	206	0	+ 5
Consumer prices			
United States	187	0	+ 7
Philadelphia	186	0	+ 7
Food	221	0	+ 7
Clothing	204	+1	+ 9
Rent	......	......	......
Fuel	152	0	+ 4
Housefurnishings	221	0	+ 9
Other	169	0	+10

Weekly Wholesale Prices—U.S. (Index: 1935–39 average = 100)	All commodities	Farm products	Foods	Other
Week ended October 9	220	254	242	203
Week ended October 16	220	257	242	203
Week ended October 23	220	253	240	203
Week ended October 30	220	253	240	203
Week ended November 6	220	254	240	204

Source: U.S. Bureau of Labor Statistics.

BANKING

MONEY SUPPLY AND RELATED ITEMS United States (Billions $)	Sept. 26 1951	Changes in— four weeks	Changes in— year
Money supply, privately owned	177.9	+ .9	+6.3
Demand deposits, adjusted	92.0	+ .6	+4.0
Time deposits	60.5	+ .2	+1.4
Currency outside banks	25.4	+ .1	+ .9
Turnover of demand deposits	22.0*	+1.4*	+1.4*
Commercial bank earning assets	128.6	+1.5	+5.0
Loans	56.0	+ .8	+7.0
U.S. Government securities	59.7	+ .5	−2.8
Other securities	12.9	+ .2	+ .8
Member bank reserves held	19.4	+ .5	+2.7
Required reserves (estimated)	18.8	+ .3	+3.0
Excess reserves (estimated)	.6	+ .2	− .3

Changes in reserves during 4 weeks ended September 26, reflected the following:

	Effect on reserves
Increase in Reserve Bank holdings of Governments	+.4
Other Reserve Bank credit	+.3
Gold and foreign transactions	+.2
Net payments to the Treasury	−.2
Other transactions	−.2
Change in reserves	+.5

* Annual rate for the month and per cent changes from month and year ago at leading cities outside N. Y. City.

OTHER BANKING DATA	Oct. 24 1951	Changes in— four weeks	Changes in— year
Weekly reporting banks—leading cities			
United States (*billions $*):			
Loans—			
Commercial, industrial and agricultural	20.5	+ .4	+ 4.2
Security	1.8	− .1	− .4
Real estate	5.6	0	+ .5
To banks	.6	+ .2	+ .3
All other	5.9	0	+ .2
Total loans—gross	34.4	+ .5	+ 4.8
Investments	38.7	+ .8	− 1.4
Deposits	83.0	+1.6	+ 5.1
Third Federal Reserve District (*millions $*):			
Loans—			
Commercial, industrial and agricultural	801	− 4	+206
Security	44	+ 1	+ 1
Real estate	133	− 9	− 2
To banks	7	+ 2	+ 7
All other	392	+ 2	+ 16
Total loans—gross	1,377	− 8	+228
Investments	1,508	+ 1	−199
Deposits	3,207	+ 9	+ 35
Member bank reserves and related items			
United States (*billions $*):			
Member bank reserves held	19.8	+ .5	+ 3.2
Reserve Bank holdings of Governments	23.7	+ .2	+ 4.4
Gold stock	22.1	+ .1	− 1.1
Money in circulation	28.3	+ .2	+ 1.2
Treasury deposits at Reserve Banks	.5	− .3	+ .1
Federal Reserve Bank of Phila. (*millions $*):			
Loans and securities	1,500	− 1	+217
Federal Reserve notes	1,691	+ 2	+ 77
Member bank reserve deposits	923	+ 10	+132
Gold certificate reserves	1,199	− 5	− 56
Reserve ratio (%)	44.4%	− .1%	− 5.2%